

UNITED STATES OF AMERICA
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

Notice of Market Dominant
Price Adjustment

Docket No. R2017-1

CHAIRMAN'S INFORMATION REQUEST NO. 3

(Issued October 19, 2016)

To further clarify the Postal Service's Notice of Market Dominant Rate Adjustment in Docket No. R2017-1,¹ the Postal Service is requested to provide written responses or additional filings, when appropriate, to the following questions. Responses should be provided to individual questions as soon as they are developed, but no later than October 24, 2016.

Consumer Price Index for all Urban Consumers (CPI-U)

1. On October 18, 2016, the Bureau of Labor Statistics revised the CPI-U for May 2016, June 2016, July 2016, and August 2016. Bureau of Labor Statistics, CPI Detailed Report (table 1-29 only), September 2016, at 82, available at <http://www.bls.gov/cpi/cpid1609.pdf>. Specifically, the CPI-U for May 2016 was revised downward from 240.236 to 240.229, the CPI-U for June 2016 was revised downward from 241.038 to 241.018, the CPI-U for July 2016 was revised downward from 240.647 to 240.628, and the CPI-U for August 2016 was revised downward from 240.853 to 240.849. *Id.* Please confirm that the table below represents the Postal Service's available price adjustment authority by mail

¹ United States Postal Service Notice of Market Dominant Price Adjustment, October 12, 2016 (Notice).

class. If confirmed, please update Attachment C to the Notice and provide updated workpapers. If not confirmed, please explain.

Class	Available Price Adjustment Authority (%)
First-Class Mail	0.802%
Standard Mail	0.927%
Periodicals	0.870%
Package Services	1.049%
Special Services	2.581%

Periodicals

2. Library Reference USPS-LR-R2017-1/3, Excel file "CAPCALC-PER-R2017-1.xlsx," tab "FSS MCS Distribution," provides aggregated data by quarter from the Mail Characteristics Study. Please provide the data source file for each quarter.
3. The Postal Services states that "[i]n this price change [it] has taken some meaningful measures to provide efficient pricing signals to the mailers, including changing certain price cells to encourage flats mailers to create more Carrier Route bundles on Carrier Route pallets." Notice at 29. Please list all proposed measures and explain how each proposed measure will improve Periodicals pricing efficiency.

Special Services

4. The Postal Service files quarterly Special Services Billing Determinants with the Commission. For purposes of this request, please refer to the FY 2015 Quarter 4, FY 2016 Quarter 1, FY 2016 Quarter 2, and FY 2016 Quarter 3 International Market Dominant Products Billing Determinants previously filed with

the Commission² and Library Reference USPS-LR-R2017-1/5, Excel file “CAPCALC-INTLSpecServ-R2017-1.xlsx,” filed October 17, 2016, in this docket.

- a. Please confirm that the combined volume for International Certificates of Mailing for Multiple Pieces with One Certificate for up to 1000 pieces for FY 2015 Quarter 4, FY 2016 Quarter 1, FY 2016 Quarter 2, and FY 2016 Quarter 3 is 781.679245283019, as stated in Excel file “CAPCALC-INTLSpecServ-R2017-1.xlsx,” tab “Q415-Q316 MD SUMMARY,” cell I15. If confirmed, please explain why it is the only fractional volume provided in the file. If not confirmed, please explain.
- b. Please confirm that the previously filed Billing Determinants for International Certificates of Mailing for Multiple Pieces with One Certificate for up to 1000 pieces are 75,563, 43,493, 29,535, and 106 for FY 2015 Quarter 4, FY 2016 Quarter 1, FY 2016 Quarter 2, and FY 2016 Quarter 3, respectively, as stated in Excel files “q415_mkt_dominant_intl_bd.xlsx,” “q116_mkt_dominant_intl_bd.xlsx,” “q216_mkt_dominant_intl_bd.xlsx,” and “q316_mkt_dominant_intl_bd.xlsx,” tabs “INTL FEES & SERVICES,” cells G18. If not confirmed, please explain.
- c. Please confirm that the volume quantity for International Certificates of Mailing for Multiple Pieces with One Certificate for up to 1000 pieces provided in Excel file “CAPCALC-INTLSpecServ-R2017-1.xlsx” is inconsistent with the sum of the previously filed Billing Determinants. Please explain the approximate 147,915 difference between these figures. If necessary, please file revised billing determinants.

² These were filed on December 29, 2015, March 2, 2016, June 28, 2016, and September 23, 2016, respectively.

- d. Please provide an explanation for the decreased volume of International Certificates of Mailing Multiple Pieces One Certificate for up to 1000 pieces from FY 2015 Quarter 4 through FY 2016 Quarter 3.

By the Acting Chairman.

Robert G. Taub